

THE UNIVERSITY OF KANSAS  
Kansas Center for Community Economic Development  
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## **Economic Trends Update: Douglas County**

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## *Foreword*

The Kansas Center for Community Economic Development (KCCED) is a joint center of the Institute for Public Policy and Business Research at the University of Kansas and the Kansas Center for Rural Initiatives at Kansas State University. Its purpose is to enhance economic development efforts by bringing university expertise to rural Kansas.

KCCED is funded by a grant from the Economic Development Administration of the U.S. Department of Commerce. The statements, findings, and conclusions of this report are those of the authors and do not necessarily reflect the views of the U.S. Government, the University of Kansas, or any other individual or organization.

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# ECONOMIC TRENDS UPDATE: DOUGLAS COUNTY

## INTRODUCTION

The following report is an annual update of the 1992 review of economic and demographic trends for Douglas County and the City of Lawrence, conducted by the Institute for Public Policy and Business Research (IPPBR) at the University of Kansas. This review was part of the strategic planning process for the county called Horizon 2020. The original 181-page report contained data on: global, regional and national trends, population, housing, education, employment, earnings and income, geographic location and infrastructure, business environment, financial capital, innovation and technology, and quality of life.<sup>1</sup>

The Lawrence-Douglas County area is a community with a growing population, high quality work force, and modern economic base enhanced by the presence of three universities. Its development in recent years has been shaped by two significant forces. First, with three universities, it is a major center for higher education: much of its development has been influenced by its large student population. Second, Douglas County is located between two metropolitan areas and has captured some of the spill-over benefits from this location.

This year's report includes an update of selected variables from the 1992 study as well as some additional variables. This report looks at variables categorized under the following areas:

- population,
- employment,
- earnings and income,
- retail trade,
- agriculture, and
- education.

Throughout the report, Douglas County's performance is compared with the performance of the State of Kansas, Comparative Counties<sup>2</sup> and Surrounding Counties.<sup>3</sup> It is by no means a comprehensive analysis of economic trends facing Douglas County but rather an overview of some key economic and demographic variables.

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<sup>1</sup> *Horizon 2020 Data Analysis*, Kansas Center for Community Economic Development, Institute for Public Policy and Business Research, University of Kansas, Technical Report Number 12, August 1992.

<sup>2</sup> "Comparative Counties" are Boone County, Missouri (University of Missouri, Columbia); Johnson County, Iowa (University of Iowa, Iowa City); Larimer County, Colorado (Colorado State University, Fort Collins); and Champaign County, Illinois (University of Illinois, Urbana-Champaign).

<sup>3</sup> "Surrounding Counties" used for comparison in this report are Johnson, Shawnee, and Wyandotte counties. "Selected Counties" include both the Comparative and the Surrounding Counties.

## POPULATION

In every community population size and economic activity are closely related. The size of population is directly related to employment opportunities within the area, wage differentials between regions, and a community's overall economic and social conditions. Growing communities are more likely to adapt successfully to a changing economic environment than areas with constant or decreasing population. New residents in a community mean additional consumers, taxpayers, and suppliers of labor. Without population growth, communities face problems of a tightening labor market, lack of new customers for businesses, a shrinking tax base, and an overall decline in economic activity. Generally, areas of population growth are also areas of economic growth, whereas areas of population loss suffered previous economic decline and restructuring.

Characteristics of the region's population are regarded as indicators of economic conditions and economic potential of this region. Past and projected population changes indicate economic trends in the community and can be compared to other counties, as well as the statewide and national averages.

The size of Douglas County's population compared to the population of the entire state of Kansas reflects the county's overall level of competitiveness with respect to other regions within the state. The presence of three major universities in Douglas County determines the specifics of the local population. To provide a better picture the Lawrence-Douglas County area is compared not just with the surrounding metropolitan areas but also with a number of college towns in other states.

Another characteristic of the economic potential of the region is migration of the population. Migration is linked to job opportunities and demand as well as wage differentials between regions. Counties with low rates of job creation and low wages will face higher worker mobility due to the lack of opportunity, or a "pull" phenomenon by urban areas with higher wages, better job opportunities, and a perceived better quality of life. Age and education also determine regional migration. Generally, the population aged 18 to 45 is the most mobile age group. The effect of education on migration is reflected by the movement of well-educated workers toward better job matches for themselves and their spouses and their attempts to raise their income levels by migrating to areas with employment opportunities.

The following section consists of population tables, figures, and maps, which together illustrate population totals, population growth rates, percent net migration, and population rankings.

### Population: Key Findings

- Between 1980 and 1990 Douglas County's population grew almost 21 percent, which was four times as fast as the growth rate of Kansas and twice the rate of the U.S. The county's population has grown every decade since 1920 and has grown by 10,000 or more per decade since 1940. Population has almost doubled between 1960 and 1990 (Table 1).

- Since 1993, the county's annual growth rates were more than two times greater than the state's rates. In 1998 population of the county grew one and a half time faster than the state. (Table 1).
- From 1980 to 1990, all the "college town" counties except for Champaign, Illinois grew faster than the national average of 9.8 percent. Between 1990 and 1998 Douglas County population increased by almost 14 percent, which is considerably higher than the national growth rate of 8.7 percent. The highest growth rate among the comparable university towns was in Larimer County, Colorado (24.2 percent) (Table 2 and Figure 1).
- Johnson County, Kansas, consistently has the highest growth rate for the neighboring metropolitan counties in Kansas with a 31.4 percent increase from 1980 to 1990 and a 21 percent increase from 1990 to 1998 (Table 2 and Figure 1a).
- Between 1980 and 1990 Douglas County population increased by 21 percent, compared to 17 percent growth rate of the previous decade. For the past two and one-half decades, Douglas County's population has grown at a considerably faster rate than the state of Kansas or the U.S. (Table 2 and Figure 1b).
- Each decade since the 1970s, Douglas County's net migration has grown rapidly. Net migration is calculated as the change in population less the difference between births and deaths. Between 1990 and 1998 Douglas county's net migration increased 7.7 percent. Net migration in the state of Kansas increased 1.7 percent from 1990 to 1998. It is the first time since the 1970s that the state of Kansas has had an increase in net migration (Table 3 and Map 3).
- Douglas County had moved from being the sixteenth most populated county in Kansas in 1940 to being the fifth most populated county in 1990, remained the fifth in 1998, and is projected to maintain this standing through the year 2020 (Table 4).
- In 1990 the ten-year growth rate in Douglas County was the third fastest in Kansas, surpassed only by Johnson and Finney Counties (Map 1). Between 1990 and 1998 population growth rate had decreased from the decade before;<sup>4</sup> however Douglas County still is the fifth fastest growing county in Kansas (Map 2).

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<sup>4</sup> 1990-1998 is an eight-year period compared to the previous ten-year period.

Table 1  
**Population Totals, Growth Rates, Rank & Share  
 Douglas County and Kansas**

Year	Douglas County		Kansas		Douglas County Rank in state	Share (%)
	Population Total	Growth Rate	Population Total	Growth Rate		
1890	23,961		1,428,108		15	1.7
1900	25,096	4.7 %	1,470,495	3.0 %	13	1.7
1910	24,724	-1.5	1,690,949	15.0	15	1.5
1920	23,998	-2.9	1,769,257	4.6	17	1.4
1930	25,143	4.8	1,880,999	6.3	17	1.3
1940	25,171	0.1	1,801,028	-4.3	16	1.4
1950	34,086	35.4	1,905,299	5.8	10	1.8
1960	43,720	28.3	2,178,611	14.3	9	2.0
1970	57,932	32.5	2,249,071	3.2	6	2.6
1980	67,640	16.8	2,364,236	5.1	5	2.9
1990	81,798	20.9	2,477,588	4.8	5	3.3
1991*	83,131	1.6	2,493,577	0.6	5	3.3
1992*	83,883	0.9	2,517,896	1.0	5	3.3
1993*	85,906	2.4	2,538,069	0.8	5	3.4
1994*	87,109	1.4	2,558,077	0.8	5	3.4
1995*	88,275	1.3	2,574,567	0.6	5	3.4
1996*	89,708	1.6	2,584,650	0.4	5	3.5
1997*	91,107	1.6	2,601,437	0.6	5	3.5
1998*	93,137	2.2	2,638,667	1.4	5	3.5
2000**	95,849	5.2	2,562,890	-1.5	n/a	3.7
2005**	100,419	4.8	2,604,664	1.6	n/a	3.9
2010**	102,015	1.6	2,645,887	1.6	n/a	3.9
2015**	102,503	0.5	2,688,165	1.6	n/a	3.8
2020**	103,243	0.7	2,723,689	1.3	n/a	3.8

\* Estimates    \*\* Projections

Source: U.S. Bureau of the Census, Fifteenth Census of the United States, 1930, Vol.1; "Census of Population, 1960: Number of Inhabitants; 1980 Census of Population," Vol.1, Chapter A, Part 18; "1990 Decennial Census," mimeographed sheet; Floerchinger, Teresa D., "Kansas Population Projections 1990-2030," Kansas Division of the Budget, September 1992; Population Estimates, and Population Distribution Branches, U.S. Bureau of the Census. Calculations: IPPBR.

Table 2  
**Population Growth Rates**  
**Douglas County, Selected Counties, Kansas, and United States**  
**1970-1998**

<u>Year</u>	<u>1970-1980</u>	<u>1980-1990</u>	<u>1990-1998*</u>
<b>Douglas</b>	<b>16.8</b>	<b>20.9</b>	<b>13.9</b>
<b>Johnson</b>	22.8	31.4	21.0
<b>Shawnee</b>	-0.3	3.9	2.7
<b>Wyandotte</b>	-7.8	-6.0	-6.0
<b>Boone, MO</b>	24.0	11.9	14.0
<b>Johnson, IA</b>	13.3	17.6	6.9
<b>Larimer, CO</b>	65.9	24.8	24.2
<b>Champaign, IL</b>	3.1	2.8	-3.0
<b>Kansas</b>	<b>5.1</b>	<b>4.8</b>	<b>6.5</b>
<b>United States</b>	<b>11.4</b>	<b>9.8</b>	<b>8.7</b>

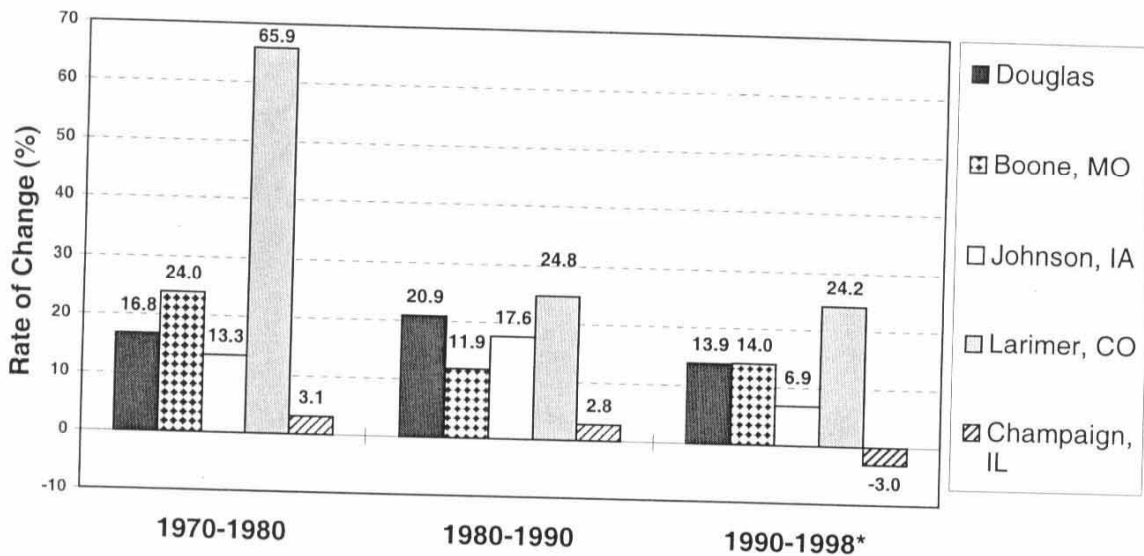
\* 1998 Population estimate

Note: 1990-98 is an eight-year period compared to the previous ten-year periods.

Source: U.S. Bureau of the Census, "1980 Census of Population," PC90-1-A; "1990 Decennial Census." U.S. Department of Commerce, Bureau of Economic Analysis, Kansas Center for Community Economic Development, "Profile for Douglas County." 1990-1998 estimates: U.S. Bureau of the Census.

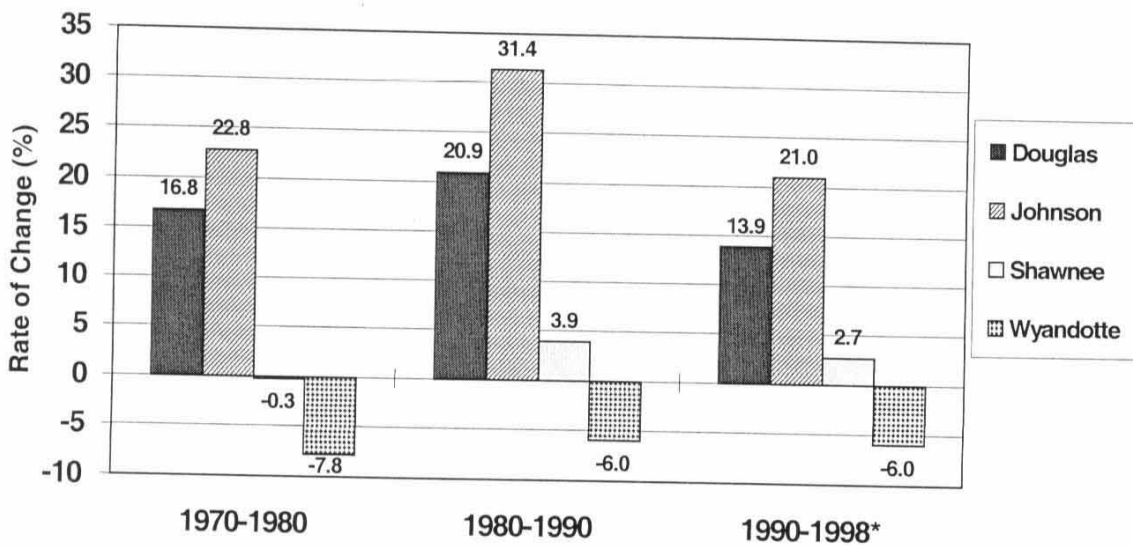


Figure 1  
**Rates of Population Change  
 Douglas and Comparative Counties  
 1970-1998**



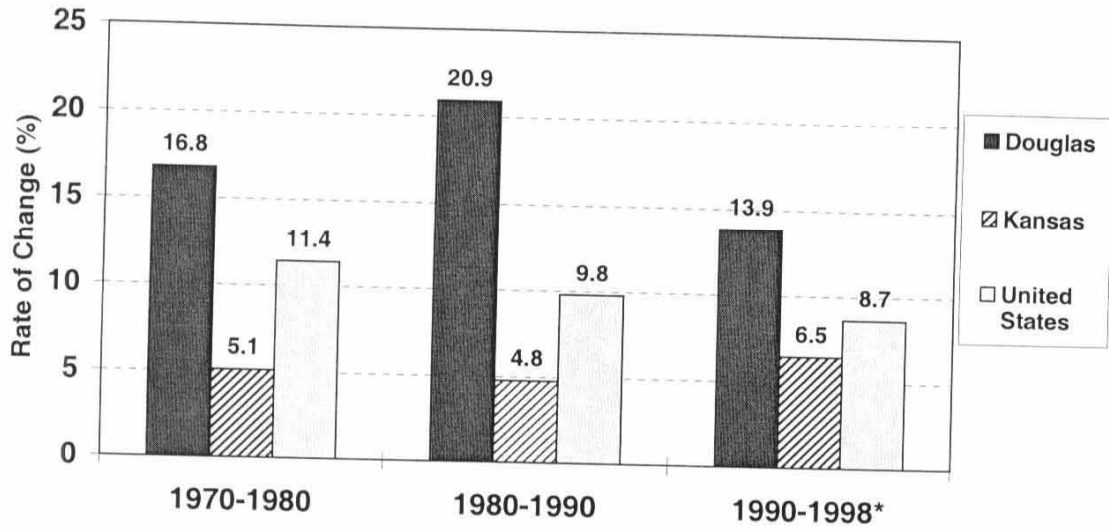
\* 1990-1998 is an eight-year period compared with other ten-year periods

Figure 1a  
**Rates of Population Change  
 Douglas and Surrounding Counties  
 1970-1998**



\* 1990-1998 is an eight-year period compared with other ten-year periods

Figure 1b  
**Rates of Population Change**  
**Douglas County, Kansas, and U.S.**  
**1970-1998**



\* 1990-1998 is an eight-year period compared with other ten-year periods

Table 3  
Net Migration  
1970-1998

<u>Douglas County</u>									
<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Net *** Migration</u>	<u>% Net Migration</u>		
1970*	57,932	14,212	8,802	3,668	5,134	9,078	0.6		
1980*	67,640	9,708	8,228	3,611	4,617	5,091	8.8		
1990*	81,798	14,158	10,049	3,908	6,141	8,017	11.9		
1998**	93,137	11,339	8,916	3,902	5,014	6,325	7.7		
<u>Kansas</u>									
<u>Year</u>	<u>Population</u>	<u>Population Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Births - Deaths</u>	<u>Net *** Migration</u>	<u>% Net Migration</u>		
1970*	2,249,071	70,460	409,189	219,067	190,122	-119,662	-5.5		
1980*	2,364,236	115,165	355,861	218,713	137,148	-21,983	-1.0		
1990*	2,477,588	113,352	397,215	220,466	176,749	-63,397	-2.7		
1998**	2,638,677	161,089	309,318	191,284	118,034	43,055	1.7		

\* Decade ending

\*\* Population estimate

\*\*\* Net migration = Population change - (births-deaths)

Source: Population Totals: U.S. Bureau of the Census, "Census of Population, 1970: Number of Inhabitants, 1980 Census of Population," Vol. 1, Chapter A, Part 18; "1990 Census of Population and Housing," Population Estimates U.S. Bureau of the Census. Calculations: IPPBR.

Table 4  
Population of Top Ranking Kansas Counties  
(Thousands)

Rk	1940	Pop.	Rk	1990	Pop.	Rk	1998	Pop.	Rk	2020*	Pop.
1	Wyandotte	145	1	Sedgwick	404	1	Sedgwick	448	1	Johnson	624
2	Sedgwick	143	2	Johnson	355	2	Johnson	430	2	Sedgwick	478
3	Shawnee	91	3	Wyandotte	162	3	Shawnee	165	3	Shawnee	171
4	Reno	52	4	Shawnee	161	4	Wyandotte	152	4	Wyandotte	158
5	Montgomery	49	5	<b>Douglas</b>	82	5	<b>Douglas</b>	93	5	<b>Douglas</b>	103
6	Crawford	45	6	Riley	67	6	Leavenworth	71	6	Leavenworth	85
7	Leavenworth	41	7	Leavenworth	64	7	Riley	64	7	Finney	80
8	Cowley	38	8	Reno	62	8	Reno	63	8	Riley	77
9	Johnson	33	9	Butler	51	9	Butler	62	9	Butler	64
10	Butler	32	10	Saline	49	10	Saline	52	10	Reno	54
11	Labelle	30	11	Montgomery	39	11	Montgomery	37	11	Saline	44
12	Cherokee	30	12	Cowley	37	12	Finney	37	12	Ford	41
13	Saline	30	13	Crawford	36	13	Crawford	36	13	Geary	38
14	Lyon	26	14	Lyon	35	14	Cowley	36	14	Cowley	38
15	Sumner	26	15	Finney	33	15	Harvey	34	15	Lyon	37
16	<b>Douglas</b>	25	16	Harvey	31	16	Lyon	33	16	Crawford	34
17	Barton	25	17	Geary	30	17	Ford	29	17	Montgomery	32
18	McPherson	24	18	Barton	29	18	McPherson	29	18	Harvey	32
19	Dickinson	23	19	Ford	27	19	Barton	28	19	Miami	30
20	Atchison	22	20	McPherson	27	20	Sumner	27	20	Sumner	29

\* Population Projection

Source: University of Kansas, Institute for Public Policy and Business Research, "Kansas Statistical Abstract," 1992-1993, "Population of Kansas Counties, 1890-1980; U.S. Bureau of the Census, "1990 Census of Population and Housing," Flierchinger, Teresa D., "Kansas Population Projections, 1990-2030," Kansas Division of the Budget, September, 1992. Calculations: IPPBR.

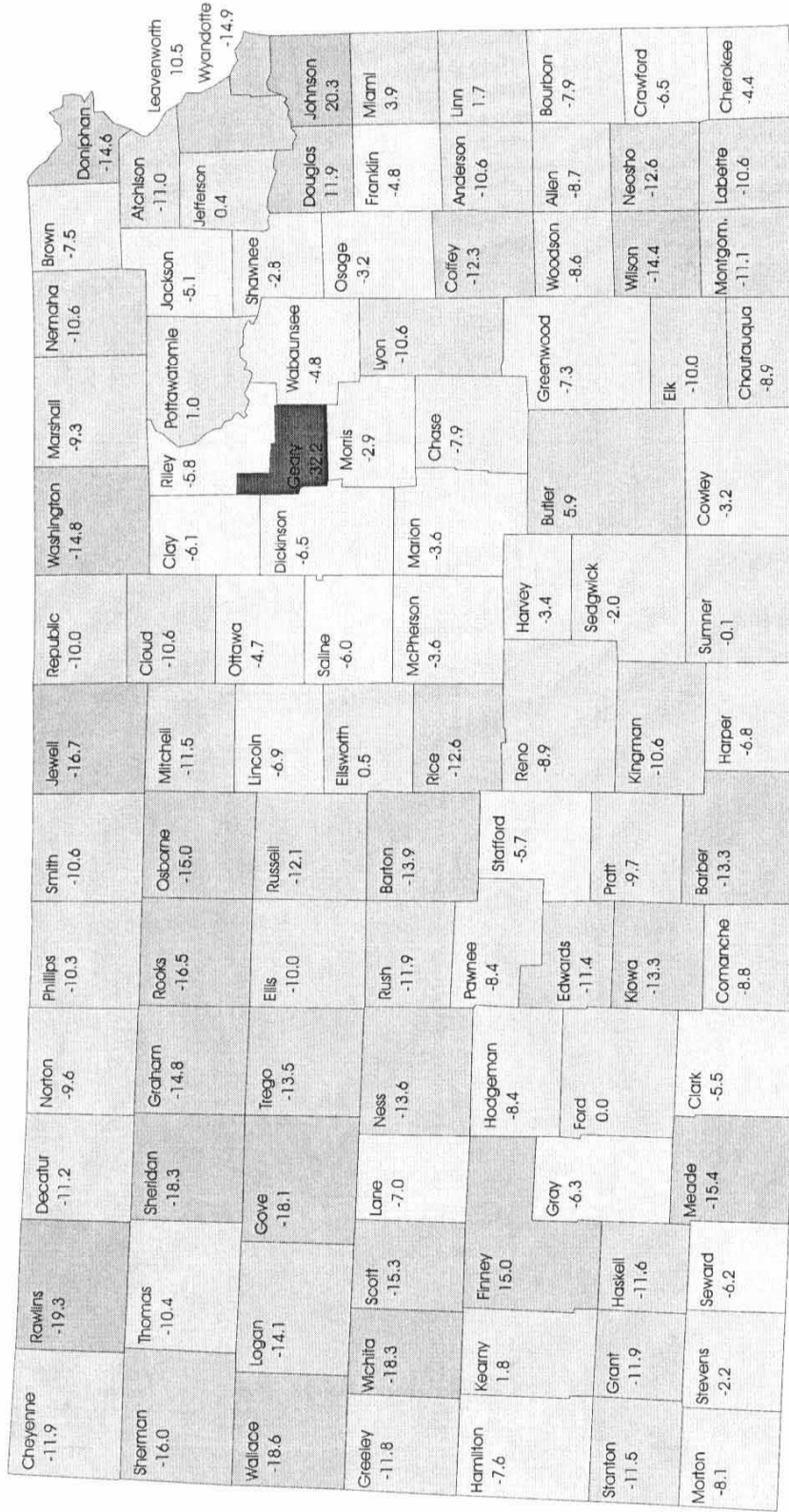


Map 2  
Percent Population Change: 1990-1998



Source: Institute for Public Policy and Business Research, The University of Kansas; data from the U.S. Bureau of the Census.

Map 3  
Percent Net Migration: 1980 - 1990



Source: Institute for Public Policy and Business Research, The University of Kansas, using data from U.S. Bureau of Census.

## EMPLOYMENT

Economic vitality of every community is reflected in the employment situation. This section compares the key employment measurements such as labor force size, job creation rate, and unemployment in the Lawrence-Douglas County area with its comparative counties and the state of Kansas.

The number of people who are either working or willing to work determines the size of the labor force. This number is influenced not only by the size of population but also by the perceptions of individuals that suitable job opportunities exist within the community. Diverse healthy economies tend to offer the widest variety of job opportunities and thereby attract a large number of job seekers, which increases the size of the labor force.

The unemployment level reflects the amount of economic activity within an area and how well the local market is able to match the supply and demand for labor.

Job creation rates (net change in average annual employment) reflect the growth in employment levels and the range of employment opportunities. As some jobs are lost in a community due to changing economic circumstances, they may be replaced by new jobs. Net job creation reflects the net gain or net loss in jobs over a given period of time.

Place of work data compared to the place of residence data provide the insight of the employment opportunities within the area.

The following data include tables, maps, and graphs on employment growth rates, number of firms by number of employees, percentage distribution of firms by number of employees, employment levels by industry, labor force participation, unemployment rates, and job growth.

### Employment: Key Findings

- Between 1987 and 1997 (the latest data available), the average annual employment in Douglas County (U.S. Bureau of Economic Analysis data by place of work) increased from 39.8 thousand employees in 1987 to 57.3 thousand in 1997. This translates into a 19.7 percent growth from 1987 to 1992 and 20.3 percent growth from 1992 to 1997 (Table 5). During both periods, the average annual employment growth in Douglas County is higher than both the state of Kansas and national growth rates (Table 5 and Figure 2).
- In the first half of the decade Douglas County, with 19.7 percent growth, had the highest employment growth rate among the selected counties in Kansas. Nationwide, Douglas County had the second highest employment growth rate among the selected counties, outpaced only by 22 percent growth rate in Larimer County, Colorado. Between 1992 and 1997, Johnson County, Kansas, and Larimer County, Colorado both had higher growth rates than Douglas County (Table 5, Figures 2a and 2b).



- The number of firms located in Douglas County has increased 40.5 percent between 1987 and 1997, compared to a 13.3 percent increase for the state of Kansas (Table 6).
- The percentage distribution patterns of firms by the number of employees are very similar in Douglas County and the entire state of Kansas. The majority of firms are small companies with less than 20 employees and between 1987 and 1997 their number decreased from 88.2 percent to 87 percent in Douglas County and from 88.6 percent to 86.8 percent in the entire state of Kansas. The percentage of the medium-sized companies with up to one hundred employees increased from around 10 percent to around 11 percent in both Douglas County and the state of Kansas. Both Douglas County and the state of Kansas have a small percentage of companies with more than one hundred employees, but their share in the total number of firms has increased in both Douglas County and Kansas (Tables 6 and 7). This shows once again the importance of small companies to the economy and indicates a need for strategies that nurture new business development and assist already existing small businesses
- Total employment for Douglas County grew from 47,590 in 1992 to 57,253 in 1997, which represents a growth rate of 20.3 percent, compared with 11.2 percent growth rate for the state of Kansas during the same period of time (Table 8).
- From 1992 to 1997, farm employment declined by 4.9 percent in Douglas County and by 3.7 percent in Kansas. Mining had the largest decline in employment in Douglas County: in 1997 it is down to 32 jobs from 162 in 1992. However, historically neither farming nor mining are major employment groups in Douglas County.
- Traditionally, Douglas County's economy has been dependent upon government employment due to the presence of the University of Kansas. Government and Government Services remain among the top employers by providing additional 2,343 new jobs in ten years raising the annual average number of government employees from 12,209 in 1987 to 14,522 in 1997 (Table 8).
- Major categories that surpassed government employment in both the number of employees and the growth rate were Services and Retail Trade. Services increased by 25.2 percent from 11,937 employees in 1987 to 14,943 in 1997. Employment in retail trade increased by 32.5 percent from 8,949 in 1987 to 11,857 in 1997 (Table 8 and Figure 3).
- The Agricultural Services sector demonstrated the highest percent growth in jobs in Douglas County from 1992 to 1997, but the nominal increase of 179 jobs was rather moderate (Table 8).
- In 1997, Services was the largest employment category in Douglas County (26.1 percent); in five years since 1992 it increased its share of total employment by one percent and outpaced the Government sector, which now represents 25.4 percent of total employment. Retail trade with 20.7 percent of total employment is the third largest employment category in Douglas County (Table 8a).

- Recent wage and salary employment estimates based on the place of work data show that employment of all industries in the Lawrence MSA (Douglas County) have increased by 3.7 percent from 1997 to 1998. Employment estimates for the state of Kansas show a 3.5 percent increase from 1997 to 1998 (Table 8b).
- The labor force participation rate is the percentage of population 16 and over that is in the labor force. The labor force participation rate in 1990 for Douglas County was 65.3 percent (Map 4). This participation rate was similar to Kansas' rate of 65.4 percent and slightly above the U.S. rate of 64.4 percent (1990 U.S. Census). In comparison, nearby Johnson County had a 75.3 percent participation rate in 1990 (Map 4).
- Place of residence data for Douglas County indicate a 4.5 percent annual increase in employment between 1997 and 1998 (these from the Kansas Department of Human Resources data as the name suggests are based on the place of residence of individuals rather than their place of work). At the same time the civilian labor force increased by 4.7 percent, leading to a 9.5 percent increase in unemployment.
- An unemployment rate in Douglas County increased from 4.2 percent in 1997 to 4.4 percent in 1998, it is a rather low rate compared to the surrounding counties (Table 8b and Map 5).
- In the state of Kansas total employment (place of residence data) increased by 3 percent between 1997 and 1998. A slightly higher rate of increase in the civilian labor force resulted in the 3.8 percent increase in the number of unemployed (Table 8b).

Table 5  
**Employment Growth Rates**  
**Douglas County, Selected Counties, Kansas, and United States**  
**1987-1997**

	Average Annual Employment			% Employment Growth	
	1987	1992	1997	1987-1992	1992-1997
Douglas	39,762	47,590	57,253	19.7%	20.3%
Johnson	214,357	255,472	316,393	19.2	23.8
Shawnee	104,242	110,568	119,412	6.1	8.0
Wyandotte	94,126	90,736	93,637	-3.6	3.2
Boone, MO	69,891	80,969	95,826	15.9	18.3
Johnson, IA	58,769	68,784	77,050	17.0	12.0
Larimer, CO	93,126	113,575	147,533	22.0	29.9
Champaign, IL	105,895	111,927	115,921	5.7	3.6
Kansas	1,430,755	1,515,744	1,685,028	5.9	11.2
United States	130,371,400	139,410,800	156,410,400	6.9	9.7

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System (1969-1996), Table CA25, May 1999.

Figure 2  
**Employment Growth Rates**  
**Douglas County, Kansas, and U.S.**  
**1987-1997**

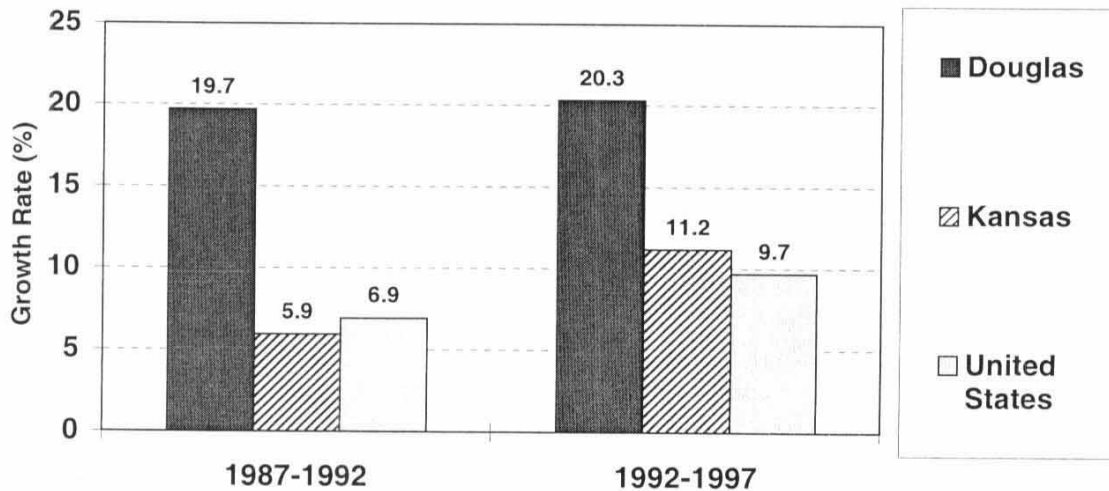


Figure 2a  
**Employment Growth Rates**  
**Douglas County and Surrounding Counties**  
**1987-1997**

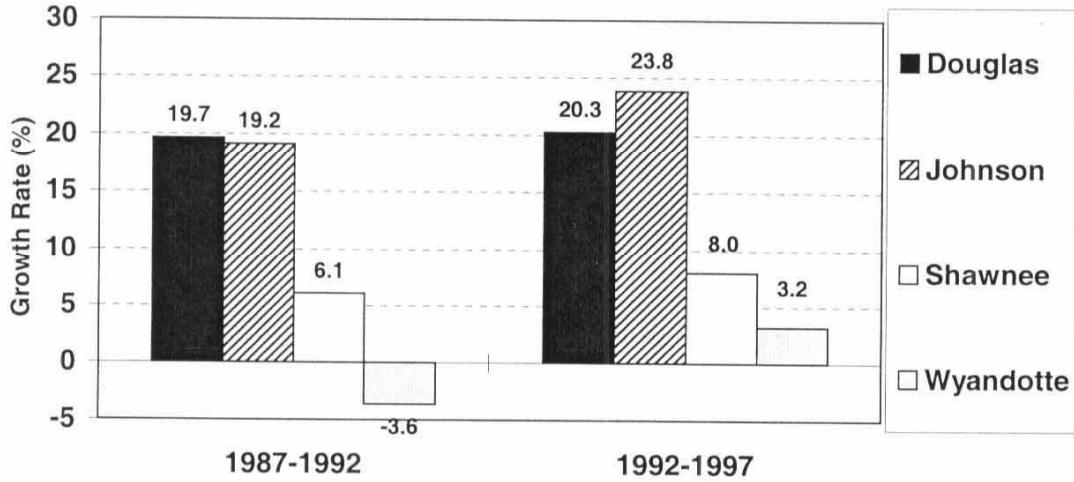


Figure 2b  
**Employment Growth Rates**  
**Douglas County and Comparative Counties**  
**1987-1997**

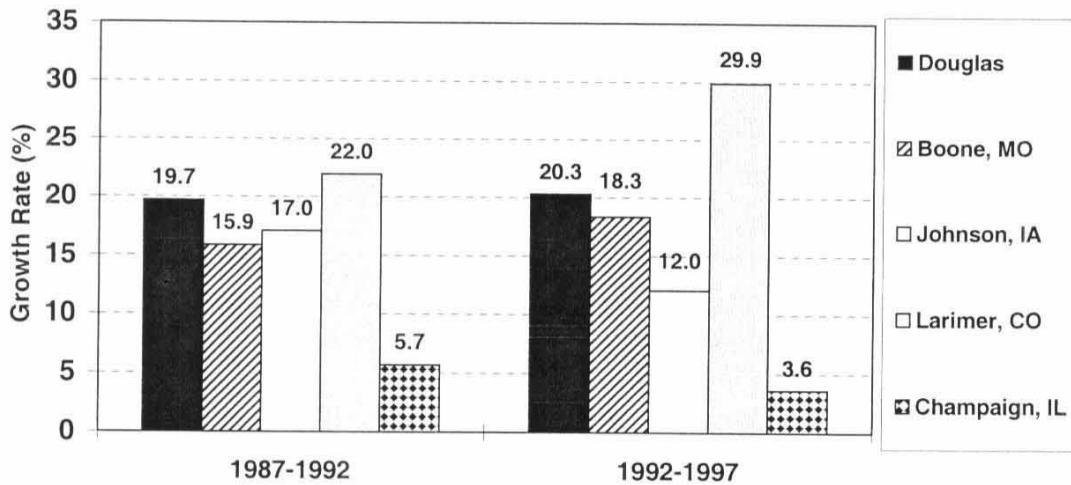


Table 6  
**Number of Firms, by Number of Employees**  
**Douglas County and Kansas**  
**1987-1997**

<b>Employees</b>	<b>Douglas</b>			<b>Kansas</b>		
	<b>1987</b>	<b>1997</b>	<b>% Change</b>	<b>1987</b>	<b>1997</b>	<b>% Change</b>
<b>1 -- 19</b>	1,576	2,184	<b>38.6 %</b>	57,769	64,165	<b>11.1 %</b>
<b>20 -- 99</b>	180	278	<b>54.4</b>	6,457	8,231	<b>27.5</b>
<b>100 -- 499</b>	28	44	<b>57.1</b>	897	1,391	<b>55.1</b>
<b>500+</b>	2	4	<b>100.0</b>	97	137	<b>41.2</b>
<b>Total</b>	1,786	2,510	<b>40.5</b>	65,220	73,924	<b>13.3</b>

Source: U.S. Bureau of the Census, "County Business Patterns," 1986 and 1996; Institute for Public Policy and Business Research.

Table 7  
**Percentage Distribution of Firms, by Number of Employees**  
**Douglas County and Kansas**  
**1987-1997**

<b>Employees</b>	<b>Douglas</b>		<b>Kansas</b>	
	<b>1987</b>	<b>1997</b>	<b>1987</b>	<b>1997</b>
<b>0 - 19</b>	88.2 %	87.0 %	88.6 %	86.8 %
<b>20 - 99</b>	10.1	11.1	9.9	11.1
<b>100 - 499</b>	1.6	1.8	1.4	1.9
<b>500+</b>	0.1	0.2	0.1	0.2

Source: U.S. Bureau of the Census, "County Business Patterns," 1987 and 1997; Institute for Public Policy and Business to numbers being rounded up, percentages may not equal 100%.

Table 8

## Employment Levels by Industry Douglas County and Kansas 1992-1997

Industry	Douglas			Kansas		
	1992	1997	Change % Change	1992	1997	Change % Change
Ag. Services	317	496	179 56.5 %	15,379	19,962	4,583 29.8 %
Mining	162	32	-130 -80.2	23,720	19,980	-3,740 -15.8
Construction	2,258	2,943	685 30.3	68,326	87,017	18,691 27.4
Manufacturing	5,050	5,621	571 11.3	187,723	212,569	24,846 13.2
Transportation	1,187	1,357	170 14.3	73,696	82,854	9,158 12.4
Wholesale Trade	1,643	1,515	-128 -7.8	76,586	81,707	5,121 6.7
Retail Trade	8,949	11,857	2,908 32.5	248,081	290,717	42,636 17.2
Finance, Insur., Real Est.	2,927	3,033	106 3.6	92,891	95,577	2,686 2.9
Services	11,937	14,943	3,006 25.2	379,245	446,312	67,067 17.7
Gov't. and Gov't. Services	12,209	14,552	2,343 19.2	268,286	269,556	1,270 0.5
Subtotal -- Non-Farm	46,639	56,349	9,710 20.8	1,433,933	1,606,251	172,318 12.0
Farm Employment	951	904	-47 -4.9	81,811	78,777	-3,034 -3.7
Total Employment	47,590	57,253	9,663 20.3	1,515,744	1,685,028	169,284 11.2

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1997), Table CA25, May 1999.

Figure 3  
**Percent Change in Employment by Selected Industries  
 1992-1997**

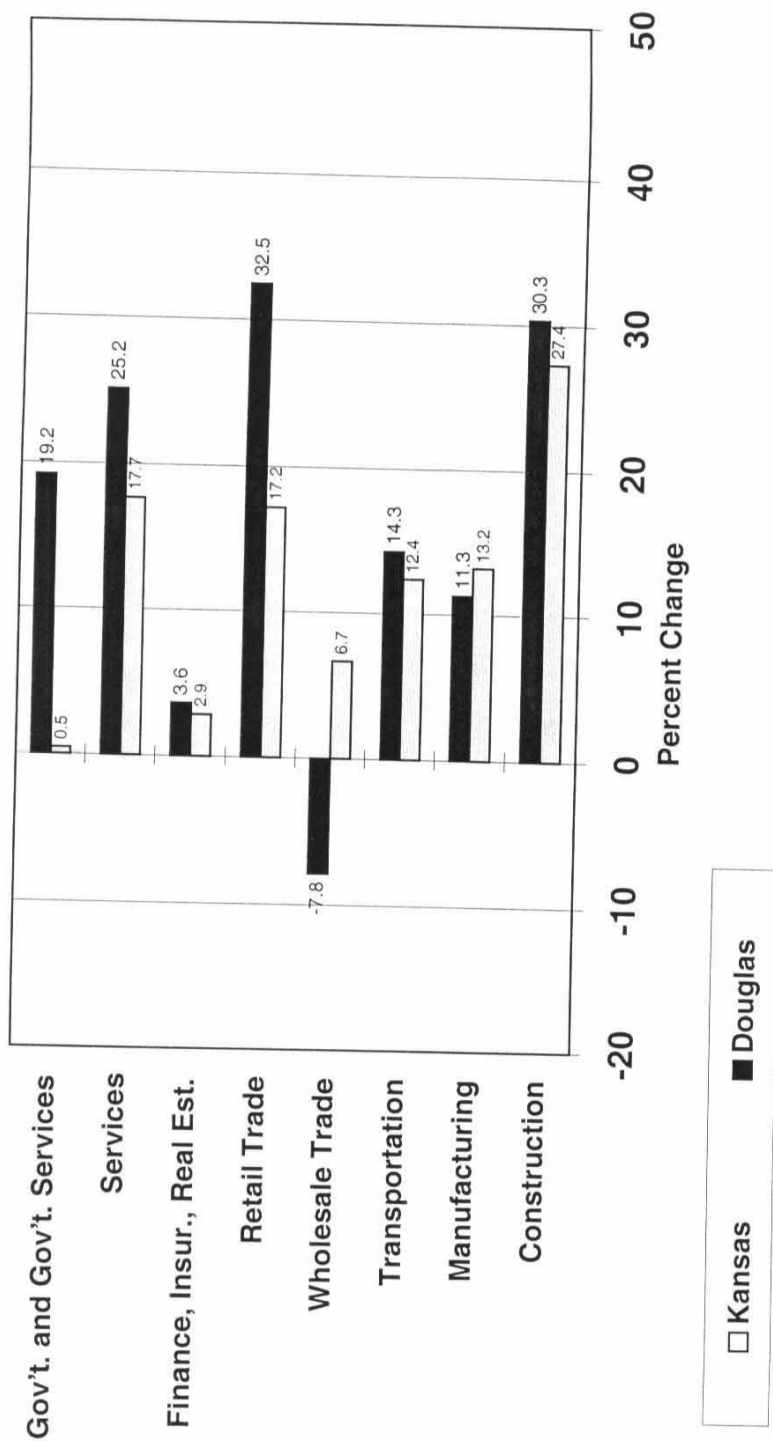


Table 8a

## Employment Percent Share by Industry Douglas County and Kansas 1992-1997

Industry	Douglas			Kansas		
	1992	1997	Change	1992	1997	Change
Ag. Services	0.7	0.9	0.2 %	1.0	1.2	0.2 %
Mining	0.3	0.1	-0.3	1.6	1.2	-0.4
Construction	4.7	5.1	0.4	4.5	5.2	0.7
Manufacturing	10.6	9.8	-0.8	12.4	12.6	0.2
Transportation	2.5	2.4	-0.1	4.9	4.9	0.1
Wholesale Trade	3.5	2.6	-0.8	5.1	4.8	-0.2
Retail Trade	18.8	20.7	1.9	16.4	17.3	0.9
Finance, Insur., Real Est. Services	6.2	5.3	-0.9	6.1	5.7	-0.5
Gov't. and Gov't. Services	25.1	26.1	1.0	25.0	26.5	1.5
	25.7	25.4	-0.2	17.7	16.0	-1.7
<b>Subtotal -- Non-Farm</b>	<b>98.0</b>	<b>98.4</b>	<b>0.4</b>	<b>94.6</b>	<b>95.3</b>	<b>0.7</b>
<b>Farm Employment</b>	<b>2.0</b>	<b>1.6</b>	<b>-0.4</b>	<b>5.4</b>	<b>4.7</b>	<b>-0.7</b>

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1997), Table CA25, May 1999.



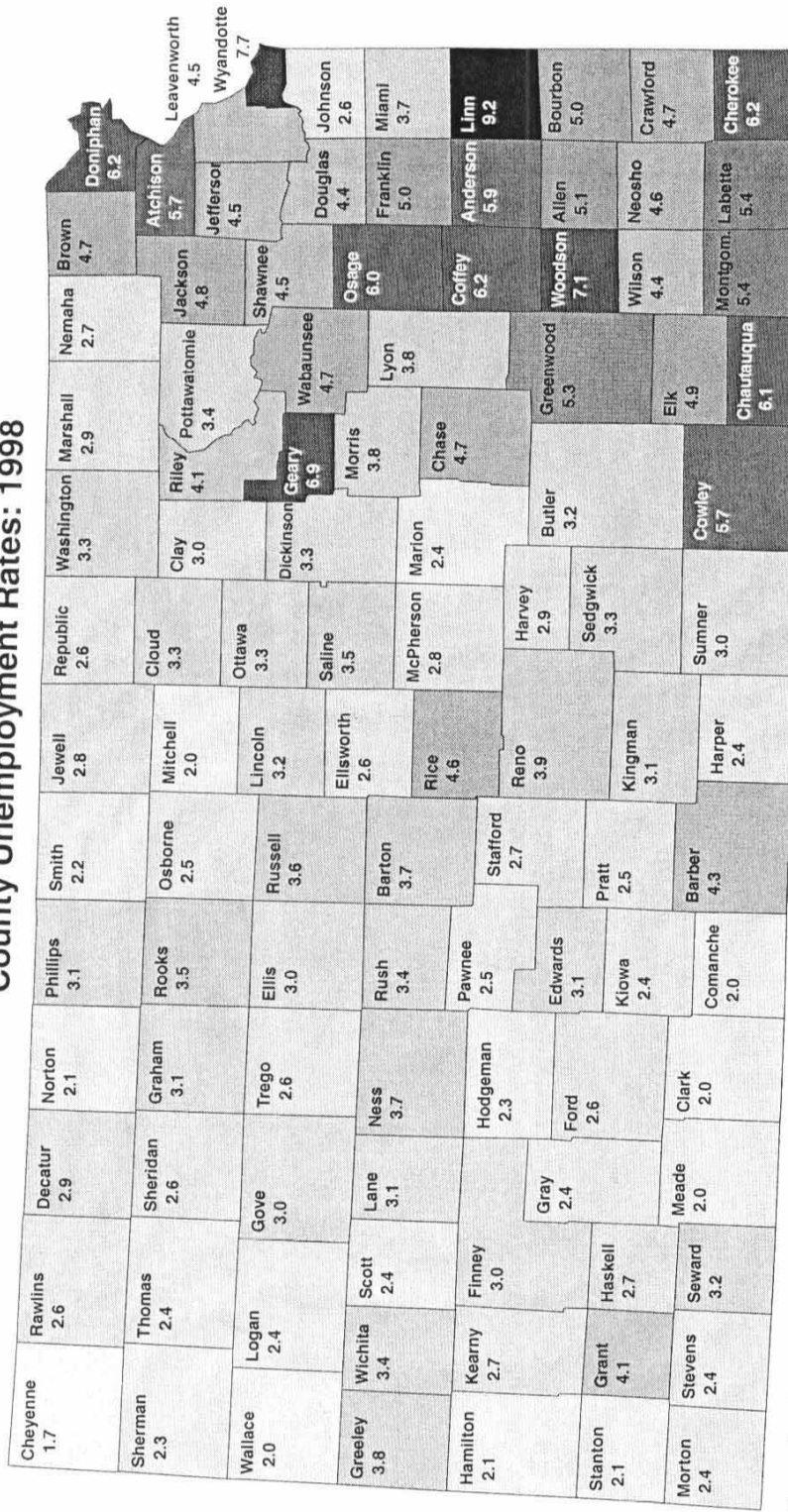
Table 8b  
**Labor Market Summary**  
 1997-1998

Place of Residence Data	Lawrence MSA (Douglas County)			Kansas % Change 1997-98
	1997 Average	1998 Average	% Change 1997-98	
Civilian labor force	52,256	54,694	4.7	3.1
Employment	50,072	52,302	4.5	3.0
Unemployment	2,184	2,392	9.5	3.8
Unemployment rate	4.2	4.4		
<b>Place of Work Data</b>				
<b>Wage and Salary Employment</b>				
All industries	46,000	47,700	3.7	3.5
Goods producing industries				
Construction and mining	7,400	7,700	4.1	3.2
Manufacturing	2,100	2,200	4.8	3.0
	5,400	5,500	1.9	3.3
Service producing industries				
Transportation & Public utilities	38,500	40,100	4.2	3.5
Wholesale & Retail Trade	1,200	1,300	8.3	3.5
Finance, Insurance, & Real estate	11,700	11,900	1.7	3.0
Services	2,000	2,100	5.0	2.1
Government	11,000	11,500	4.5	5.3
	12,600	13,400	6.3	2.1

Source: Kansas Department of Human Resources, Labor Market Information Services. Developed in cooperation with the U.S. Bureau of Labor Statistics. January 2000.



Map 5  
County Unemployment Rates: 1998



## EARNINGS AND INCOME

The economic base of the community is determined by the income of the community residents. Higher average wages may indicate a greater number of jobs in high growth, high performance businesses. Low wage growth may indicate a higher concentration of stable, declining industries.

This report looks at two major components of earnings and income: average wage per job and per capita personal income. Average wage per job reflects the productivity of local labor and the performance of local businesses. Per capita personal income indicates the relative wealth of the area compared to the state. As the productivity of business and industry increases, personal per capita income also rises. Decreasing or stable rates may be the result of mature or declining industry.

### Earnings and Income: Key Findings

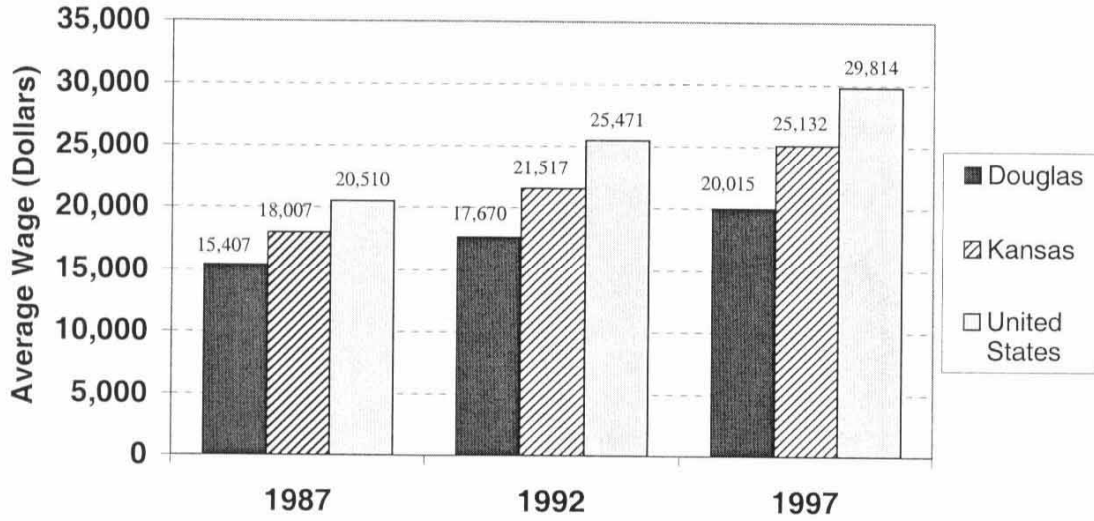
- In 1997 the average wage per job in Douglas County was \$20,015. It is \$5,177 less than the average wage for the state of Kansas and \$9,799 less than the national average (Table 9, Figure 4). This could be the result of the high number of low wage student jobs.
- In 1997, Douglas County had the lowest average wage per job among the comparative counties. All three of the neighboring metropolitan counties (Johnson, Shawnee and Wyandotte) also had higher average wages than Douglas County (Table 9, Figure 4a).
- Between 1987 and 1997 an average wage per job in Douglas County increased 14.7 percent and 13.3 percent, respectively. These are the lowest rates of increase among all comparative counties, as well as statewide and nationwide results (Table 9).
- Per capita personal income in Douglas County in 1997 has increased at a slightly higher rate than the state's rate, but with \$19,976 for 1997, Douglas County is still far behind the state's average of \$23,972 per year (Table 10). Historical data confirm this trend (Figure 4b).
- Per capita personal income for Douglas County is higher than for Wyandotte County but lower than for Johnson and Shawnee counties (Map 6).

Table 9  
**Average Wage Per Job**  
**Douglas County, Selected Counties, Kansas and U.S.**  
**1987-1997**

	Average Wage per Job (Dollars)			% Growth	
	<u>1987</u>	<u>1992</u>	<u>1997</u>	<u>87-92</u>	<u>92-97</u>
<b>Douglas</b>	<b>15,407</b>	<b>17,670</b>	<b>20,015</b>	<b>14.7</b>	<b>13.3</b>
<b>Johnson</b>	20,497	25,243	30,124	23.2	19.3
<b>Shawnee</b>	19,357	22,824	26,175	17.9	14.7
<b>Wyandotte</b>	21,542	25,693	30,935	19.3	20.4
<b>Boone, MO</b>	16,096	19,944	22,692	23.9	13.8
<b>Johnson, IA</b>	17,025	21,257	24,394	24.9	14.8
<b>Larimer, CO</b>	18,282	22,205	26,704	21.5	20.3
<b>Champaign, IL</b>	16,843	20,953	24,077	24.4	14.9
<b>Kansas</b>	<b>18,007</b>	<b>21,517</b>	<b>25,132</b>	<b>19.5</b>	<b>16.8</b>
<b>United States</b>	<b>20,510</b>	<b>25,471</b>	<b>29,814</b>	<b>24.2</b>	<b>17.1</b>

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1997), County Summary, Table CA34.

**Figure 4**  
**Average Wage per Job**  
**Douglas County, Kansas and United States**  
**1987-1997**



**Figure 4a**  
**Average Wage per Job**  
**Douglas County and Surrounding Counties**  
**1987-1997**

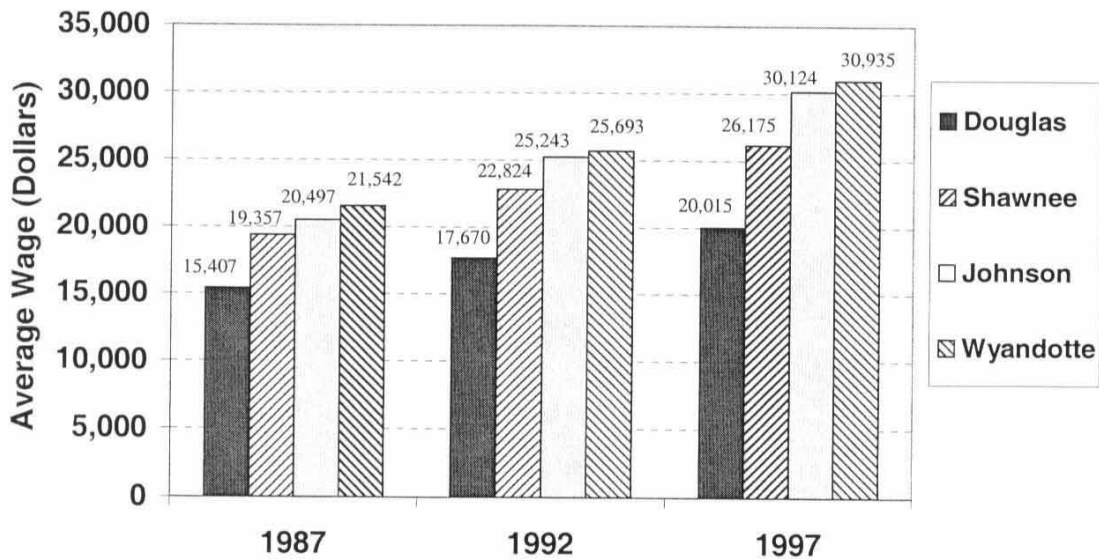
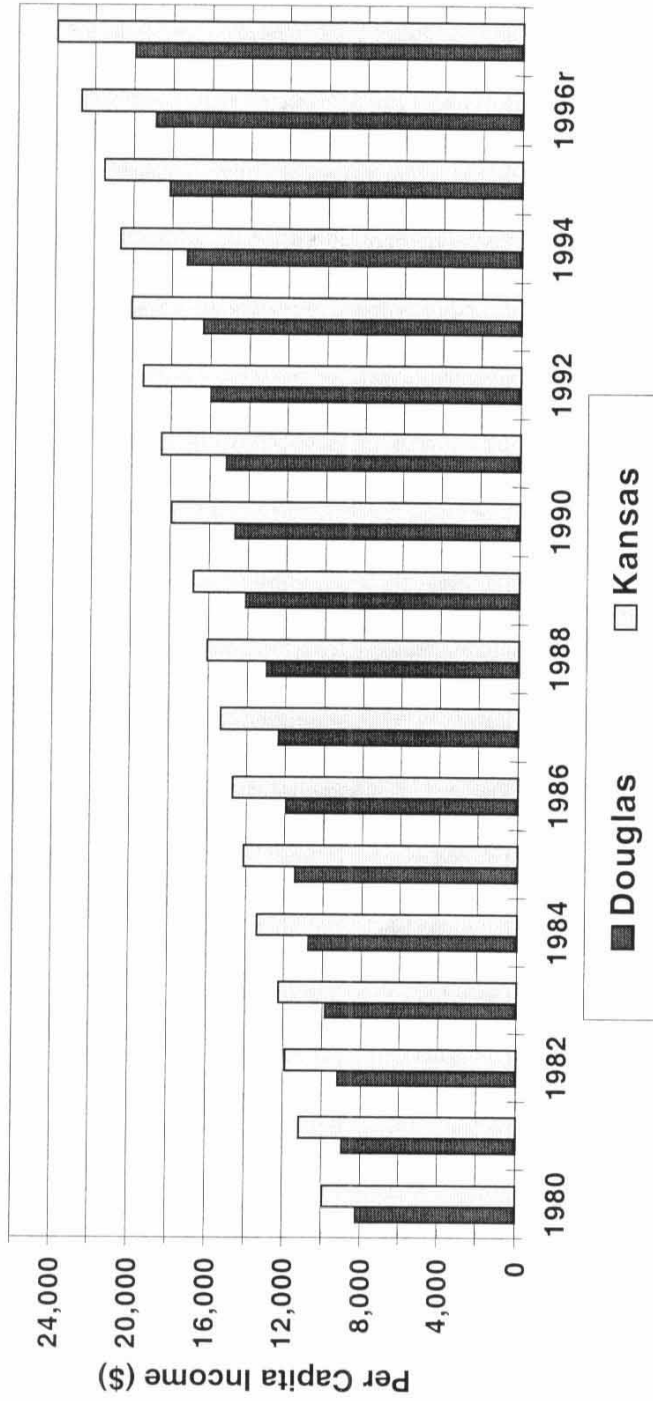


Table 10  
**Per Capita Personal Income  
 Douglas County and Kansas  
 1980-1997**

	<u>Income (\$)</u>		<u>Growth Rates</u>	
	<u>Douglas</u>	<u>Kansas</u>	<u>Douglas</u>	<u>Kansas</u>
1980	8,216	9,950		
1981	8,959	11,176	9.0 %	12.3 %
1982	9,200	11,903	2.7	6.5
1983	9,850	12,273	7.1	3.1
1984	10,773	13,421	0.0	9.4
1985	11,469	14,121	6.5	5.2
1986	11,930	14,703	4.0	4.1
1987	12,388	15,327	3.8	4.2
1988	13,010	16,040	5.0	4.7
1989	14,108	16,802	8.4	4.8
1990	14,680	17,940	4.1	6.8
1991	15,176	18,492	3.4	3.1
1992	15,966	19,447	5.2	5.2
1993	16,407	20,048	2.8	3.1
1994	17,238	20,638	5.1	2.9
1995	18,161	21,481	5.4	4.1
1996r	18,896	22,707	4.0	5.7
1997	19,976	23,972	5.7	5.6

Source: U.S. Bureau of Economic Analysis, Regional Economic Information System (1969-1997), County Summary, CA5, May 1999.

Figure 4b  
**Per Capita Personal Income**  
**Douglas County and Kansas**  
**1980-1997**







## RETAIL

Retail trade is an important part of a community's business environment as well as source of revenues for the local governments. Retail trade is affected by a number of factors; for example, past decisions by investors, business managers, taxpayers, and policy makers contribute to a business climate, which either promotes or inhibits the productivity of local businesses and therefore affects decisions about growth and expansion. Other contributing factors include the level of competition, the availability of suppliers and supporting industries, the cost of labor, taxation and regulation within the community. Some types of establishments will thrive in an environment in which other firms cannot operate profitably.

The level of taxable retail sales is an indicator of retail sector performance and the overall strength of the local consumer market. The County Trade Pull Factor (CTPF) is a measure of retail trade strength.<sup>5</sup> CTPF is calculated by dividing the county's per capita sales tax collections by Kansas' per capita sales tax collections. A CTPF value of less than 1.00 indicates that the county is losing customers due to "out-shopping" by residents. A CTPF of more than 1.00 would indicate that the county is attracting retail customers.

The following section contains a table and a figure, outlining the retail sales growth rates, and a map illustrating County Trade Pull Factors.

### Retail: Key Findings

- Since a four-percent decrease in 1995, taxable retail sales in Douglas County were increasing from year to year at a rate higher than that of the state of Kansas. However, in 1998, taxable retail sales demonstrated a lower rate of increase than the previous year and lower than the state of Kansas (Table 11 and Figure 5).
- The trade pull factor for Douglas County for 1999 was 0.98, which indicates that it had lost a small portion of retail trade to the surrounding counties. Johnson County and Shawnee County had CTPFs of 1.55 and 1.22, respectively, meaning they had attracted more customers from outside the county than lost to the other counties (Map 7).

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<sup>5</sup> David Darling and Sara Logan, "County Trade Pull Factors, FY 1998."

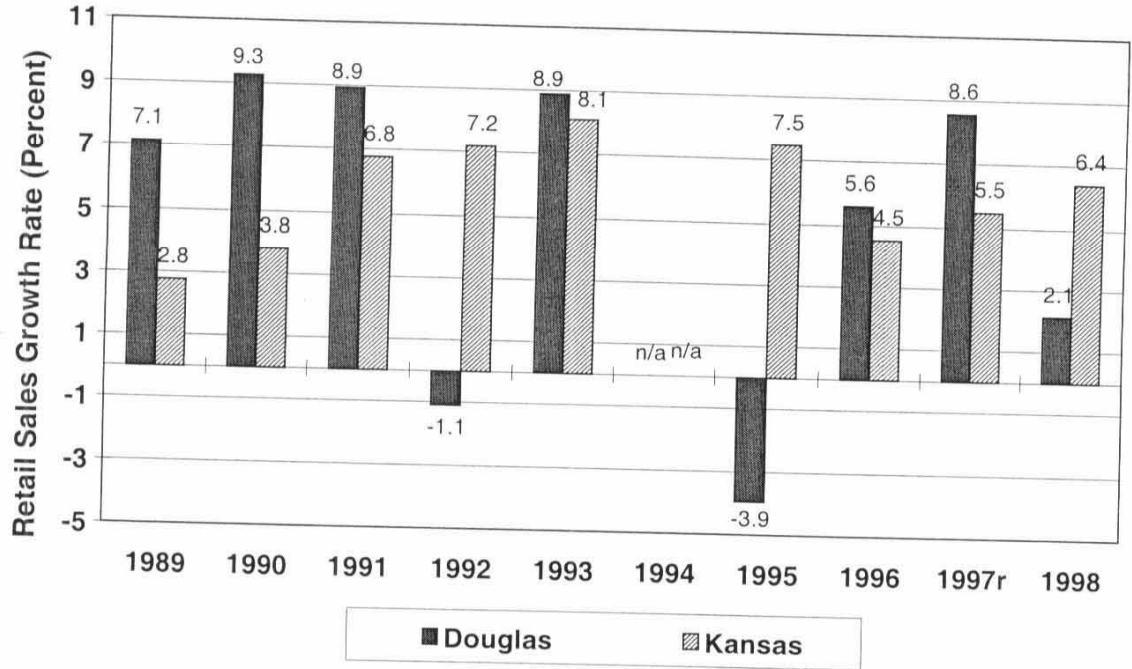
Table 11  
**Taxable Retail Sales and Growth Rates  
 Douglas County and Kansas  
 1988-1998**

Year	Douglas		Kansas	
	Nominal Sales (\$Millions)	Growth Rate (%)	Nominal Sales (\$Millions)	Growth Rate (%)
1988	446.0		17,548.0	
1989	477.8	7.1 %	18,034.4	2.8 %
1990	522.1	9.3	18,723.3	3.8
1991	568.7	8.9	19,988.0	6.8
1992	562.5	-1.1	21,421.3	7.2
1993	612.5	8.9	23,154.4	8.1
1994	687.0	n/a	22,603.5	n/a
1995	659.9	-3.9	24,289.1	7.5
1996	696.9	5.6	25,393.9	4.5
1997r	756.5	8.6	26,788.9	5.5
1998	772.7	2.1	28,507.0	6.4

Note: Data from 1994 to 1998 are not comparable to 1987-1993

Source: Kansas Department of Revenue, State Sales Tax Collections by County Classification. Calculations, 1987-1993, CEDBR, W. Frank Barton School of Business, Wichita State University; 1994-1998, IPPBR, University of Kansas.

Figure 5  
**Taxable Retail Sales Growth Rates**  
**Douglas County and Kansas**  
**1989-1998**





## AGRICULTURE

In the past, the economic well-being of Douglas County was not dependent on the strength of this industry sector, but it is interesting to look at the level of activity in agriculture and examine how the character of this industry is changing in the county. The following agricultural data will help determine whether or not the overall importance of this sector in the county has been increasing or decreasing and how this compares with other counties and the state as a whole.

The agriculture section contains tables and figures on the total value of field crops and the total value of livestock and poultry.

### **Agriculture: Key Findings**

- Between 1995 and 1998 the total value of field crops in Douglas County fluctuated from year to year, with the highest being \$29.7 million in 1997 and the lowest being \$19.5 million in 1998. Annual percent changes were as follows: 29 percent increase in the value of crops from 1995 to 1996, 15 percent increase from 1996 to 1997 and a 34 percent decrease in 1998 (Table 12).
- The total value of livestock and poultry in Douglas County has been declining from year to year. In four years it declined 17.8 percent from \$13.5 million in 1995 to \$11.1 million in 1998. In the state of Kansas the value of livestock and poultry increased between 1995 and 1996, but the declines in the subsequent years led to a total decline of 8.5 percent between 1995 and 1998 (Table 13).

**Table 12**  
**Total Value of Field Crops\***  
**Douglas County, Surrounding Counties, and Kansas**  
**1995-1998**

	Total Value of Crops (\$Millions)				Percent Change			
	1995	1996	1997	1998	95-96	96-97	97-98	95-98
<b>Douglas</b>	20.1	25.9	29.7	19.5	28.9 %	14.6 %	-34.2 %	-2.8 %
<b>Johnson</b>	11.2	19.9	14.8	10.7	77.7	-25.5	-28.0	-4.7
<b>Shawnee</b>	20.3	29.6	29.9	22.1	45.8	1.1	-26.2	8.7
<b>Wyandotte</b>	1.7	2.2	2.2	1.9	29.4	1.2	-14.7	11.7
<b>Kansas</b>	3,525.9	4,154.6	4,474.9	3,594.3	17.8	7.7	-19.7	1.9
<b>Crop Price Index +</b>	130	160	123	98				

\* Does not include any government program  
+ Since 1975, index numbers are on 1990-92 base = 100  
Note: Numbers may not add due to rounding

Source: Kansas Agricultural Statistics, "Kansas Farm Facts"; Kansas County Profile Report, KCCED, The University of Kansas; Calculations: KCCED.

**Table 13**  
**Total Value of Livestock and Poultry**  
**Douglas County, Surrounding Counties, and Kansas**  
**1995-1998**

	Total Value of Livestock and Poultry (\$Millions)				Percent Change			
	1995	1996	1997	1998	95-96	96-97	97-98	95-98
<b>Douglas</b>	13.5	12.3	11.3	11.1	-8.9 %	-8.1 %	-1.8 %	-17.8 %
<b>Johnson</b>	11.4	9.7	10.3	9.3	-14.9	6.2	-9.7	-18.4
<b>Shawnee</b>	6.4	6.5	6.6	6.3	1.6	1.5	-4.5	-1.6
<b>Wyandotte</b>	1.6	2.1	1.3	1.2	31.3	-38.1	-7.7	-25.0
<b>Kansas</b>	2,873.6	2,966.2	2,678.0	2,629.0	3.2	-9.7	-1.8	-8.5
<b>Livestock Price Index +</b>	101	91	86	85				

\* Does not include any government program  
+ Since 1975, index numbers are on 1990-92 base = 100  
Note: Numbers may not add due to rounding

Source: Kansas Agricultural Statistics, "Kansas Farm Facts"; Kansas County Profile Report, KCCED, The University of Kansas; Calculations: KCCED.

## EDUCATION

The educational level of residents is likely to influence the well being of the whole community. Communities able to provide the higher skilled workforce are more likely to benefit from the new developing industries. Residents who have a good educational background will be more employable and able to command higher salaries. Employers will benefit as well because they will most likely experience lower turnover and training costs. On the other hand, individuals with lower education levels have a harder time finding jobs that can supply a living wage and may be more likely to use social services.

### Education: Key Findings

- Douglas County is the home of three universities: University of Kansas, Baker University, and Haskell Indian Nations University. As the result the education level of the county's population was greater than the state's average in 1990 (Table 14).
- Twenty five percent of Lawrence and 22 percent Douglas County over-25 population have a Bachelors degree, which is higher than the 14.2 percent state average for Kansas (Table 14).
- The number of persons with graduate degrees also is high. Lawrence and Douglas County have 19.4 percent and 16.8 percent, respectively, of their over-25 population with graduate degrees compared to 7.0 percent for Kansas (Table 14).
- The percentage of Lawrence and Douglas County population with associate degrees is slightly below the percentage for Kansas, which would tend to indicate that the county may be lacking in technically trained workers (Table 14).



Table 14  
**Educational Attainment of Persons over 25  
 As a Percentage of the Population of Persons over 25  
 Lawrence, Douglas County, and Kansas, 1990**

	Completed Less Than 9th Grade	9-12th Grade No Diploma	High School Diploma	Some College	Associate Degree	Bachelor's Degree	Graduate Degree	Pop. Over 25
Lawrence	995	1,93	6,92	6,94	1,31	7,96	6,27	32,35
Douglas County	1,62	3,09	10,66	8,95	1,69	9,19	7,07	42,16
Kansas	120,95	172,32	514,17	342,96	85,14	221,01	109,36	1,561,41

***As a Percent of Population of Persons over 25:***

Lawrence	3.1%	6.0%	21.4	21.5	4.1%	24.6	19.4
Douglas County	3.9%	7.3%	25.3	21.2	4.0%	21.8	16.8
Kansas	7.7%	11.0	32.9	22.0	5.5%	14.2	7.0%

Source: U.S. Bureau of the Census, 1990. Percent calculations by KCCED/IPPBR.

## CONCLUSION

Economic data is an important tool of the community economic development process because it gives the community members a better view of the current facts and trends in different areas of economic and demographic performance in the community. However, data alone are not enough. Data must be analyzed and interpreted, taking into account the intuition of those within the community as to what the trends really mean. In other words, economic data serve as the foundation for analysis which concludes: 1) what is happening in the community relative to other regions over time, and 2) what potential impacts or consequences can be inferred from the data. The data in this report suggest the following interpretation.

Douglas County is an area with constantly growing population, low unemployment rates and strong employment increases in most sectors. Growth rates of job creation in Douglas County are higher than both statewide and nation-wide rates. The adult population of the area is highly educated; however, the average wage per job for Douglas County is considerably below not only state and national averages but also below any comparative "university" county. This low average wage per job indicates that most of the job growth is in lower-paying jobs, which is consistent with the information that the fastest growing industry in Lawrence at the present time is the retail trade with rather modest wages.

Given the high education level of the population and the lower average wage per job, additional effort is still needed to reduce the gap between Douglas County and similar areas in level of earnings. The original 1992 study noted many opportunities could be capitalized upon to assist in bridging the gap between education and pay, such as new state technology policies, university linkages, and the proximity to a metropolitan center to generate higher value-added employment opportunities in developing industries.

The Lawrence-Douglas County area is a desirable place to live, and it is proven by the population and employment data. The areas' proximity to Johnson County, Kansas, one of the fastest growing counties in the nation, and the presence of three institutions of higher education, are part of its desirability. The higher education institutions provide a great deal of stability while the location of the county provides opportunities for growth. How these two assets are utilized will have a lot to do with the type of community Douglas County will be in the future.